

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Application Number	09/630,595	Confirmation No.:	5920
Appellant	Scott W. RAU et al.		
Filed	August 1, 2000		
Title	SYSTEM AND METHOD FOR TRANSPONDER-ENABLED ACCOUNT TRANSACTIONS		
TC/Art Unit	3627		
Examiner:	Fischer, Andrew J.		
Docket No.	47004.000049		
Customer No.	<b>21967</b>		

**MAIL STOP: APPEAL BRIEF--PATENTS**

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

**REPLY BRIEF**

In response to the Examiner's Answer mailed December 8, 2008, maintaining the rejection asserted in the Final Office Action ("Office Action") of pending claims 26, 28-33, and 35-40, Appellants respectfully request that the Board of Patent Appeals and Interferences ("the Board") reconsider and reverse the rejections of record.

**I. Status Of Claims**

Claims 26, 28-33, and 35-40 are pending in this application. Claims 1-25, 27, and 34 were previously cancelled. The rejection of claims 26, 28-33, and 35-40 is appealed.

## **II. Grounds Of Rejection To Be Reviewed On Appeal**

The following grounds of rejection are to be reviewed on appeal:

The rejection of claims 30-33 under 35 U.S.C. § 112, second paragraph as allegedly being indefinite;

The rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 102(e) based on U.S. Patent No. 5,528,222 to Moskowitz (“Moskowitz”);

The rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 103(a) over Moskowitz in view of The Bank Credit Card Business by the American Bankers Association, 2<sup>nd</sup> Edition, 1996 (“ABA reference”); and

The rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 103(a) over Haynes in view of the ABA reference.

### ***Grounds of Rejection Withdrawn***

The rejection of claims 30 and 33<sup>1</sup> under 35 U.S.C. § 112, second paragraph as allegedly being indefinite; and

The rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 102(e) based on U.S. Patent No. 5,484,997 to Haynes (“Haynes”).

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<sup>1</sup> Appellants note that paragraph (9)(1) of the Examiner’s Answer cites the rejection of claims 30 and 36 as being allegedly indefinite under 35 U.S.C. § 112, second paragraph as being withdrawn. However, this appears to be a typographical error because claim 36 was never rejected under 35 U.S.C. § 112, second paragraph. Rather, only claims 30-33 were rejected under 35 U.S.C. § 112, second paragraph. It appears that the Office intended to cite the rejection of claims 30 and 33 because paragraphs directed to the rejections under 35 U.S.C. § 112, second paragraph (e.g., paragraphs (9)(4) and (9)(5)) only mention claims 31 and 32 as the claims currently being rejected under 35 U.S.C. § 112, second paragraph. Accordingly, Appellants will treat the rejection of claims 30 and 33 under 35 U.S.C. § 112, second paragraph as being withdrawn.

### **III. Arguments**

Arguments for the impropriety of each of the rejections are addressed below.

#### **A. The rejection of claims 31-32 under 35 U.S.C. § 112, second paragraph as allegedly being indefinite is improper**

Claims 31 and 32 stand rejected under 35 U.S.C. § 112, second paragraph as allegedly being indefinite for failing to particularly point out and distinctly claim the subject matter which Appellants regard as their invention. However, Appellants respectfully disagree.

Specifically, the Office has rejected claims 31 and 32 on the grounds that it is unclear if “RFID transponder identification information,” as recited in claims 31 and 32, is the same or different from “at least some RFID transponder identification information,” as recited in claim 26.

Appellants submit that these rejections are improper and should be overturned because the “metes and bounds” of the claims are “discernible” to one of ordinary skill in the art. For example, claim 31 recites “receiving RFID transponder identification information from the RFID transponder via a wireless interface” and claim 32 recites “receiving RFID transponder identification information via a RF interface or an infrared interface.” Claims 31 and 32 are clearly directed to *how* RFID transponder identification information is “received” from the RFID transponder (e.g., via a “wireless interface,” etc.), not whether the “RFID transponder identification information” received from the transponder is the same or different from the “at least some RFID transponder identification information,” as recited in claim 26. Therefore, claims 31 and 32 recite the manner in which RFID transponder identification information is “received” from the RFID transponder in a clear and definite manner.

Accordingly, Appellants submit that the “RFID transponder identification information” limitation is definite and therefore complies with 35 U.S.C. § 112, second paragraph. As a

result, these rejections are improper and should be overturned.

**B. The rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 102(e) based on Moskowitz is improper**

Claims 26, 28-33 and 35-40 stand rejected under 35 U.S.C. § 102(e) as allegedly being anticipated by Moskowitz. Appellants submit that this rejection is improper and should be withdrawn because **Moskowitz does not disclose each and every limitation** of claim 26, from which claims 28-33 and 35-40 depend.

Claim 26 recites a “method of authorizing *transponder-enabled transactions*,” comprising “receiving by a *transponder server*...at least some *RFID transponder identification information*,” “retrieving from an *account table* at least some *financial account information* linked to the RFID transponder identification information, the *financial account information comprising at least one of account number information, account type information, account balance information, and account limit information*,” and “communicating authorization to the point of sale device, wherein the *RFID transponder identification information* does not comprise account number information” (emphasis added).

Moskowitz is directed to a thin and flexible radio frequency (RF) tag that may be used in a variety of applications, such as credit cards, passports, admission tickets, etc. *See, e.g.,* Moskowitz, Abstract. Moskowitz, however, does not teach a method of authorizing transponder-enabled transactions using at least one of a transponder server, an account table, an authorization unit, and/or a point of sale device, as claimed. In fact, Moskowitz is silent as to any of these claimed features. At best, Moskowitz is concerned with providing an RF tag that is small and thin enough to fit in a credit card for the purposes of storing information. *See, e.g.,* Moskowitz at Fig. 12. Accordingly, **Moskowitz fails to teach each and every limitation of claim 26.**

The Examiner's Answer alleges that Moskowitz "must or inherently" teach each of the limitations of claim 26 because Moskowitz illustrates RF implementation in a credit card and the RF tag being capable of storing "personal identification" information. *See, e.g.*, Examiner's Answer at p. 10, citing Moskowitz at col. 7, lines 36-37. However, Appellants respectfully disagree.

"To establish inherency, the extrinsic evidence 'must make clear that the missing descriptive matter is necessarily present in the thing described in the reference, and that it would be so recognized by persons of ordinary skill. Inherency, however, may not be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient.'" *In re Robertson*, 169 F.3d 743, 745, 49 USPQ2d 1949, 1950-51 (Fed. Cir. 1999) (citations omitted). In this case, the Examiner's Answer relies on the ABA reference to allegedly show that the card in Moskowitz inherently teaches "receiving by a transponder server...at least some RFID transponder identification information," "retrieving from an account table at least some financial account information linked to the RFID transponder identification information, the financial account information comprising at least one of account number information, account type information, account balance information, and account limit information," and "communicating authorization to the point of sale device, wherein the RFID transponder identification information does not comprise account number information," as expressly recited in claim 26.

The ABA reference, however, teaches nothing more than a traditional credit transaction process. For example, in traditional card processing, "[w]hen a purchase was made, the cardholder presented the card to the merchant, who would *copy the information on the card* onto the sales slip." *See, e.g.*, ABA at p. 4 (emphasis added). The ABA reference also teaches that

credit card use incorporates features of “sales draft processing,” which “converts information from the merchant draft (paper) to computer tape (electronics).” *See, e.g.*, ABA at p. 72. In the sales draft process, the merchant draft would have an area for “the cardholder’s account number and name, as well as the expiration date...[where] [o]nly the account number is actually captured.” *See, e.g.*, ABA at p. 73 (emphasis added). The ABA reference also teaches that “point-of-sale terminals are quickly replacing paper drafts” in order “to fully automate the data capture process in which information is converted from the paper draft to tape or disk.” *See, e.g.*, ABA at p. 75. In addition, the ABA reference illustrates the use of a typical magnetic stripe card for encoding information for transaction processing, where “[t]he magnetic stripe is composed of four invisible tracks [where] American Bankers Association (ABA) standards are on track 2.” *See, e.g.*, ABA at p. 67-68, Exhibit 6.3. It should be appreciated that the ABA standards for track 2 include a primary account number (up to 19 characters), which is typically the number on the face of the card, and a four-character expiration date (YYMM).

In other words, the ABA reference merely teaches a traditional credit card processing method where account information is retrieved from the card itself (e.g., on the face of the card or through the magnetic stripe on the back of the card) so that a point of sale device can electronically transfer this information for credit authorization. This is clearly distinguishable from the claimed invention, in which RFID transponder identification information does not comprise account number information. Rather, the claimed invention uses an account table to link RFID transponder identification information with financial account information. In this way, an additional layer of security is provided. Nothing in the ABA reference teaches a “method of authorizing transponder-enabled transactions...*wherein the RFID transponder identification information does not comprise account number information,*” as expressly claimed.

At best, the ABA reference teaches traditional credit card processing where the account number information on the card or stored on the magnetic stripe is used for authorizing the credit card transaction.

The Examiner's Answer clearly misapplies the Moskowitz reference and bases its rejection on improper assumption. For example, even though Moskowitz teaches "information on the RF tag [may be] used for personal identification," the Examiner's Answer assumes that this "must or inherently include a credit card owner's name, expiration date, and account number" and then further assumes that "[f]or the purposes of this rejection, the Examiner interprets the RFID transponder identification information as the credit card owner's name, or alternatively the expiration date of the credit card and not the account number." Nothing in Moskowitz or the ABA supports or teaches this reasoning at all. Thus, the rejection of at least claim 26 is clearly based on improper assumption by the Examiner.

These features of claim 26 are simply not taught or even contemplated by Moskowitz or the ABA reference. For a proper rejection under 35 U.S.C. § 102(e), each and every claim limitation must be shown in a single reference. The Office Action has failed to meet this requirement and thus the rejection is unsupported and should be reversed.

**C. The rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 103(a) over Moskowitz in view of the ABA reference**

Claims 26, 28-30, 33 and 35-40 stand rejected under 35 U.S.C. § 103 as allegedly being unpatentable over Moskowitz in view of the ABA reference. However, Appellants respectfully disagree because Moskowitz, alone or in combination with the ABA reference, does not disclose each and every limitation of claim 26, from which claims 28-33 and 35-40 depend.

The rejections under 35 U.S.C. § 103 over Moskowitz in view of the ABA reference are not sustainable because the ABA reference discloses only a standard credit card transaction, as



affirmed by the Office and as described above. None of the references, alone or in combination, teaches a “method of authorizing *transponder-enabled transactions*,” comprising “receiving by a *transponder server*...at least some *RFID transponder identification information*,” “retrieving from an *account table* at least some *financial account information* linked to the RFID transponder identification information, the *financial account information comprising at least one of account number information, account type information, account balance information, and account limit information*,” and “communicating authorization to the point of sale device, wherein the *RFID transponder identification information* does not comprise account number information,” as expressly recited in claim 26 (emphasis added).

No *prima facie* case of obviousness can be supported by these references if each and every limitation of claim 26 is not disclosed in Moskowitz, alone or in combination with the ABA reference.

Accordingly, Appellants submit that this rejection is improper and should be reversed.

**D. The rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 103(a) over Haynes in view of the ABA reference.<sup>2</sup>**

Claims 26, 28-30, 33 and 35-40 stand rejected under 35 U.S.C. § 103 as allegedly being unpatentable over Haynes in view of the ABA reference. However, Appellants respectfully

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<sup>2</sup> Appellants note that the Office has not addressed this rejection in the Examiner’s Answer. Although the rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 102(e) as being allegedly anticipated by Haynes were expressly withdrawn in the Examiner’s Answer, it is unclear whether the rejection of claims 26, 28-33 and 35-40 under 35 U.S.C. § 103(a) as being allegedly unpatentable over Haynes in view of the ABA reference is also withdrawn. Since the Office has not expressly withdrawn this rejection, Appellants will treat this rejection as an outstanding rejection and address it accordingly.

disagree because Haynes, alone or in combination with the ABA reference, does not disclose each and every limitation of claim 26, from which claims 28-33 and 35-40 depend.

The rejections under 35 U.S.C. § 103 over Haynes in view of the ABA reference are not sustainable because none of the references, alone or in combination, teaches a “method of authorizing *transponder-enabled transactions*,” comprising “receiving by a *transponder server*...at least some *RFID transponder identification information*,” “retrieving from an *account table* at least some *financial account information* linked to the RFID transponder identification information, the *financial account information comprising at least one of account number information, account type information, account balance information, and account limit information*,” and “communicating authorization to the point of sale device, wherein the *RFID transponder identification information does not comprise account number information*,” as expressly recited in claim 26 (emphasis added).

Haynes is directed to an identification card with RF downlink capability. *See, e.g.,* Haynes, Title. However, Haynes does not teach a method of authorizing transponder-enabled transactions using at least one of a transponder server, an account table, an authorization unit, and/or a point of sale device, as claimed. In fact, Haynes is silent as to any of these claimed features. At best, Haynes is concerned with incorporating RF downlink communication capability into an integrated circuit (IC) card so that noncontact remote interrogation of the IC card is permitted. *See, e.g.,* Haynes at col. 1, lines 43-46. Accordingly, Haynes fails to teach each and every limitation of claim 26.

The ABA reference fails to cure the deficiencies of Haynes. As described above, the ABA reference merely teaches a traditional card processing method and therefore does not teach

a method of authorizing transponder-enabled transaction where the RFID transponder identification information does not comprise account number information.

Accordingly, no *prima facie* case of obviousness can be supported by these references if each and every limitation of claim 26 is not disclosed in Haynes, alone or in combination with the ABA reference. As a result, Appellants submit that this rejection is improper and should be reversed.

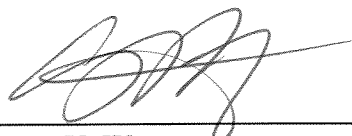
#### IV. Conclusion

Because the cited references fail to disclose or render obvious all features set forth in the pending claims, Appellants submit that the pending claims are allowable over the cited reference. Accordingly, Appellants respectfully request that the Board reverse the rejections set forth in the Action, and allow all of the pending claims. Authorization is hereby granted to charge or credit the undersigned's Deposit Account No. 50-0206 for any fees or overpayments related to the entry of this Appeal.

Respectfully submitted,

Date: February 6, 2009

By:

  
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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Application Number : 09/630,595 Confirmation No.: 5920  
Appellant : Scott W. RAU et al.  
Filed : August 1, 2000  
Title : SYSTEM AND METHOD FOR TRANSPONDER-ENABLED  
ACCOUNT TRANSACTIONS  
TC/Art Unit : 3627  
Examiner: : Fischer, Andrew J.  
Docket No. : 47004.000049  
Customer No. : **21967**

**BOARD OF PATENT APPEALS AND INTERFERENCES**

United States Patent and Trademark Office

P.O. Box 1450

Alexandria, Virginia 22313-1450

**LETTER TO MAKE CHANGE IN REAL PARTY-IN-INTEREST**

This is to notify the Board of Patent Appeals and Interferences of a change in real party-in-interest in the above captioned application, currently under appeal. The real party-in-interest has changed from First USA Bank, N.A., as listed in Applicants' Appeal Brief, to JPMorgan Chase Bank, N.A. This change is a result of a series of corporate transactions. The corporate assignments were recorded with the U.S. Patent and Trademark Office's Assignment Branch as follows:

First USA Bank, NA *to* Bank One, Delaware, National Association

Recorded: August 14, 2008 at Reel/Frame: 021390/0312

Bank One, Delaware, National Association *to* Chase Manhattan Bank USA, N.A.

Recorded: August 26, 2008 at Reel/Frame: 021443/0572

Chase Manhattan Bank USA, N.A. *to* JPMorgan Chase Bank, N.A.

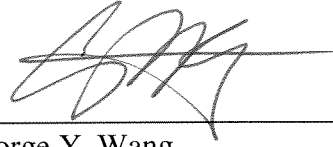
Recorded: August 27, 2008 at Reel/Frame: 021446/0053

Respectfully submitted,

HUNTON & WILLIAMS LLP

Dated: February 6, 2009

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**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE**

Application Number	: 09/630,595	Confirmation No.:	5920
Appellant	: Scott W. RAU et al.		
Filed	: August 1, 2000		
Title	: SYSTEM AND METHOD FOR TRANSPONDER-ENABLED ACCOUNT TRANSACTIONS		
TC/Art Unit	: 3627		
Examiner:	: Fischer, Andrew J.		
Docket No.	: 47004.000049		
Customer No.	: <b>21967</b>		

**BOARD OF PATENT APPEALS AND INTERFERENCES**

United States Patent and Trademark Office

P.O. Box 1450

Alexandria, Virginia 22313-1450

**UPDATED STATEMENT OF RELATED CASES**

As stated in the "Statement of Related Cases" section of the Second Amended Appeal Brief filed June 4, 2007, Appellants filed a Notice of Appeal on March 10, 2004 in related patent application serial no. 10/143,581, and filed an Appeal Brief on May 6, 2004. Application serial no. 10/143,581 is a divisional of the Application involved in this appeal.


Pursuant to 37 C.F.R. § 41.37(g), Appellants are under a continuing obligation to update this item during the pendency of the appeal. Accordingly, Appellants respectfully submit that the Board of Patent Appeals and Interferences ("the Board") issued a Decision, Appeal No. 2008-0194, for related patent application serial no. 10/143,581 on September 10, 2008. The Decision is hereby submitted with this Paper in accordance with 37 C.F.R. § 41.37(g) and (u).

Respectfully submitted,

HUNTON & WILLIAMS LLP

Dated: February 6, 2009

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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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3  
4 BEFORE THE BOARD OF PATENT APPEALS  
5 AND INTERFERENCES  
6

7  
8 *Ex parte* SCOTT W. RAU, SCOTT PHILP BERTETTI, and  
9 GERALD A. BEECHUM, JR.  
10

11  
12 Appeal 2008-0194  
13 Application 10/143,581  
14 Technology Center 3600  
15

16  
17 Decided: September 10, 2008  
18

19  
20 Before LINDA E. HORNER, ANTON W. FETTING, and  
21 STEVEN D.A. McCARTHY, *Administrative Patent Judges*.  
22  
23 FETTING, *Administrative Patent Judge*.  
24

25  
26 DECISION ON APPEAL

27  
28 STATEMENT OF THE CASE

29  
30 Scott W. Rau, Scott Philp Bertetti, and Gerald A. Beechum, Jr.  
31 (Appellants) seek review under 35 U.S.C. § 134 of a final rejection of claims  
32 21, 22, 24-27, and 29-34, the only claims pending in the application on  
33 appeal.



1           We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b)  
2 (2002).

3  
4           We AFFIRM-IN-PART.

5  
6           The Appellants invented a way of using transponder-activated account  
7 transactions at point of sale or other locations (Specification 1:5-7).

8           An understanding of the invention can be derived from a reading of  
9 exemplary claim 21, which is reproduced below [bracketed matter and some  
10 paragraphing added].

11           21. A system for authorizing transponder-enabled transactions,  
12 comprising:  
13           [1] a transaction server;  
14           [2] a communications link  
15               between the transaction server and a point of sale device,  
16               wherein the point of sale device is associated with a  
17               merchant,  
18               the point of sale device in communication with a  
19               transponder identification information receiver,  
20               wherein at least some transponder identification  
21               information that is emitted from a transponder  
22                       substantially upon presentation of both the  
23                       transponder and a transaction for payment at  
24                       the point of sale device  
25               is received by the transponder identification  
26               information receiver,  
27               communicated to the point of sale device  
28                       via a connection between the transponder  
29                       identification information receiver and the  
30                       point of sale device, and  
31               then transmitted to the transaction server along  
32               with a payment amount for the transaction

1 via the communication link between the  
2 point of sale device and the transaction  
3 server;  
4 [3] an account table in communication with the transaction  
5 server;  
6 [4] at least some financial account information representative of  
7 a financial account,  
8 wherein the financial account information is stored in the  
9 account table,  
10 the financial account information comprising at least one  
11 of  
12 financial account number information,  
13 financial account type information,  
14 financial account balance information, and  
15 financial account limit information,  
16 wherein at least some of the transponder identification  
17 information is linked to at least some of the financial  
18 account information; and  
19 [5] a payment authorization unit  
20 in communication with the transaction server and account  
21 table,  
22 wherein the payment authorization unit determines  
23 whether any of the payment amount is authorized  
24 to be applied to the financial account  
25 based on at least some of  
26 the financial account information and  
27 the payment amount,  
28 wherein the transaction server, account table and  
29 payment authorization unit are associated with at least  
30 one of an issuing bank or a credit network.

31  
32 This appeal arises from the Examiner's Final Rejection, mailed  
33 February 12, 2004. The Appellants filed an Appeal Brief in support of the  
34 appeal on May 6, 2004. An Examiner's Answer to the Appeal Brief was  
35 mailed on July 29, 2004. A Reply Brief was filed on September 29, 2004.

1 A Supplemental Answer was mailed on January 26, 2006. Oral arguments  
2 were presented at a hearing on August 14, 2008.

3  
4 PRIOR ART

5 The Examiner relies upon the following prior art:

6			
7	Rogge	US 5,500,890	Mar. 19, 1996
8	Swartz	US 5,923,735	Jul. 13, 1999
9	Zimmerman	US 6,092,057	Jul. 18, 2000
10	Treyz	US 6,587,835 B1	Jul. 1, 2003
11			
12			

13 REJECTIONS<sup>1</sup>

14 Claims 21, 22, 24-27, and 29-34 stand rejected under 35 U.S.C. § 112,  
15 first paragraph, as lacking a supporting written description within the  
16 original disclosure.

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<sup>1</sup> The Examiner also objects to the Specification under 35 U.S.C. § 132 for introducing new matter (Final Rejection 2) and rejects the Specification for the same reason in the Answer (Answer 4). The Appellants request a reversal of the objection (Appeal Br. 6-7). However, a challenge to an objection is a petitionable matter and not an appealable matter. *See In re Schneider*, 481 F.2d 1350, 1356-57 (CCPA 1973) and *In re Mindick*, 371 F.2d 892, 894, (CCPA 1967). *See also the MPEP* § 1002.02(c), item 3(c) and § 1201. Thus, the relief sought by the Appellants would have been properly presented by a petition to the Commissioner under 37 C.F.R. § 1.181 instead of by appeal to this Board. Accordingly, we will not further consider the objection to the Specification. The Examiner's rejection of the Specification under 35 U.S.C. § 132 is improper, *see In re Rasmussen*, 650 F.2d 1212, 1214 (CCPA 1981).

Claims 21, 22, 24-27, and 29-34 stand rejected under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention.

Claims 21, 22, 24-27, 29, 30, 33, and 34 stand rejected under 35 U.S.C. § 102(b) as anticipated by Swartz.

Claims 21, 22, 24-27, 29, 30, 33, and 34 stand rejected under 35 U.S.C. § 102(b) as anticipated by Treyz.

Claims 21, 22, 24-27, and 29-34 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Swartz and Zimmerman.

Claims 21, 22, 24-27, and 29-34 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Swartz and Rogge.

## ISSUES

The issues pertinent to this appeal are

- Whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 21, 22, 24-27, and 29-34 under 35 U.S.C. § 112, first paragraph, as lacking a supporting written description within the original disclosure.
- Whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 21, 22, 24-27, and 29-34 under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention.
- Whether the Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 21, 22, 24-27, 29, 30, 33, and 34 under 35 U.S.C. § 102(b) as anticipated by Swartz.

- 1 • Whether the Appellants have sustained their burden of showing that  
2 the Examiner erred in rejecting claims 21, 22, 24-27, 29, 30, 33, and  
3 34 under 35 U.S.C. § 102(b) as anticipated by Treyz.
- 4 • Whether the Appellants have sustained their burden of showing that  
5 the Examiner erred in rejecting claims 21, 22, 24-27, and 29-34 under  
6 35 U.S.C. § 103(a) as unpatentable over Swartz and Zimmerman.
- 7 • Whether the Appellants have sustained their burden of showing that  
8 the Examiner erred in rejecting claims 21, 22, 24-27, and 29-34 under  
9 35 U.S.C. § 103(a) as unpatentable over Swartz and Rogge.

The pertinent issues turn on whether the Appellants had described an authorization unit in the originally filed disclosure, whether claim 21 is grammatically correct, whether Swartz describes the structural elements of claim 21, whether Treyz's publication date is prior to the filing date of the application, and whether claim 21 was predictable in light of Swartz in combination with either of Zimmerman or Rogge.

16                   FACTS PERTINENT TO THE ISSUES

17       The following enumerated Findings of Fact (FF) are believed to be  
18 supported by a preponderance of the evidence.

19 *Facts Related to Claim Construction*

- 20 01. The disclosure contains no lexicographic definition of  
21 “account.”  
22 02. The ordinary and customary meaning of “account” within the  
23 context of a business relationship is a formal banking, brokerage,

1 or business relationship established to provide for regular services,  
2 dealings, and other financial transactions.<sup>2</sup>

3 03. The disclosure contains no lexicographic definition of  
4 “authorization.”

5 04. The ordinary and customary meaning of “authorization” is  
6 something that authorizes, which in turn means to give  
7 permission.<sup>2</sup>

8 *Facts Related to Appellants’ Disclosure*

9 05. Prior art transponders were incorporated in subway or other  
10 transportation devices, telephone calling devices, and other  
11 devices such as the SpeedPass™ offered by Mobil Corp. for  
12 gasoline point of sale transactions (Specification 1:14-17).

13 06. A point of sale device is connected to a transaction server via a  
14 communications link for the purpose of authorizing in whole or in  
15 part transactions payment using a transponder (Specification 9:19-  
16 22).

17 07. The transaction server may be co-located with the point of sale  
18 device (Specification 10:11-14).

19 *Swartz*

20 08. Swartz is directed to a self-checkout system for a retail  
21 shopping environment. The system has portable communications  
22 terminals, a store's host computer, and store checkout stations.  
23 When using the portable terminal as a personal hand-held  
24 scanning terminal, the consumers may scan coupons or other bar  
25 coded materials to make their own shopping lists. Also, a

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<sup>2</sup> *American Heritage Dictionary of the English Language* (4<sup>th</sup> ed. 2000).

- 1 terminal resident software program may create a "predicted  
2 shopping list" based upon the customer's historical shopping  
3 profile and scanned item lists. A consumer may later retrieve  
4 these lists and use them during shopping (Swartz 3:16-37).
- 5 09. While shopping, the customer scans each product he wants to  
6 purchase. The bar code information of the scanned item is  
7 transmitted to the store computer, which updates the customer's  
8 transaction file and sends product information, product price, and  
9 customer's subtotal amount spent, back to the terminal. The  
10 customer proceeds to a checkout register after shopping. A  
11 cashier at the checkout register, rather than scanning every item,  
12 retrieves the customer's transaction file from the store computer  
13 into the register by scanning the customer's ID. The retrieved  
14 transaction file contains individual product information, subtotal  
15 price, and required security measures. After successful security  
16 verification of the purchased items and acceptance of any coupons  
17 the customer might have, the final bill is calculated and paid  
18 (Swartz 3:38-65).
- 19 10. Alternatively, Swartz's transaction file may be in the portable  
20 terminal. The file is updated by the transmissions from the store  
21 computer. During checkout the transaction file is downloaded to  
22 the checkout register (Swartz 12:58-65).
- 23 11. Swartz provides a customer login procedure in which the  
24 customer's portable terminal transmits an internal terminal  
25 identifier to the store computer (Swartz 9:36-39).

1           12. When Swartz's store computer receives the login transmission,  
2           the computer creates a customer dedicated transaction file and  
3           sends the acknowledgment of the customer's presence, back to the  
4           portable communications terminal (Swartz 9:40-44).

5           13. Swartz maintains a running tally of the items a customer is  
6           going to purchase in the customer's transaction file (Swartz 10:1-  
7           14).

8           14. At checkout, Swartz's customer has the terminal identifier  
9           entered into the point of sale device. This may be via a  
10          transponder receiver such as a magnetic stripe reader. Then  
11          Swartz's store computer retrieves the customer's transaction file,  
12          which includes the amounts the customer must pay for each item.  
13          Swartz's store computer then generates a checkout file. The  
14          customer pays for the purchases and the total payment amount is  
15          recorded in the customer's history file (Swartz 10:42 - 11:30).

16          15. Swartz portrays communication links between its portable  
17          terminal, the point of sale terminal and the store computer (Swartz  
18          Fig. 3:Links 1, 2, & 3). Such a point of sale terminal necessarily  
19          incorporates a device to receive the signals from the transponder  
20          to effect links 1 and 2.

21          *Treyz*

22          16. Treyz is directed to a handheld computing device to obtain  
23          information using local and remote wireless links to order  
24          products and services (Treyz 1:42-45).

25          *Rogge*



1           17. Rogge is directed to a communications protocol for a point of  
2           sale (POS) system that allows merchants with multiple POS  
3           terminals to efficiently multi-thread transactions, such as credit  
4           card authorization requests and responses, to a host computer and  
5           to interleave mail messaging and file transfers with the ability to  
6           suspend and then resume the mail messaging and file transfer  
7           processes when a credit card authorization request and response is  
8           given higher priority on the communications channel (Rogge  
9           3:51-59).

10           *Zimmerman*

11           18. Zimmerman is directed to an automatic process for use in credit  
12           card or debit card systems for taking corrective action based on  
13           information returned from the banking system. The automatic  
14           process replaces the human clerk as the interface in control of  
15           action by the POS device enabling unattended operation  
16           (Zimmerman 1:50-55).

17           *Facts Related To The Level Of Skill In The Art*

18           19. Neither the Examiner nor the Appellants has addressed the level  
19           of ordinary skill in the pertinent arts of systems analysis and  
20           programming, financial transaction systems, transactional security  
21           analysis and programming, remittance processing analysis and  
22           programming, and point of sales systems. We will therefore  
23           consider the cited prior art as representative of the level of  
24           ordinary skill in these arts. *See Okajima v. Bourdeau*, 261 F.3d  
25           1350, 1355 (Fed. Cir. 2001) (“[T]he absence of specific findings  
26           on the level of skill in the art does not give rise to reversible error

“where the prior art itself reflects an appropriate level and a need for testimony is not shown”) (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985)).

### *Facts Related To Secondary Considerations*

20. There is no evidence on record of secondary considerations of non-obviousness for our consideration.

## PRINCIPLES OF LAW

### Claim Construction

During examination of a patent application, pending claims are given their broadest reasonable construction consistent with the specification. *In re Prater*, 415 F.2d 1393, 1404-05 (CCPA 1969); *In re Am. Acad. of Sci. Tech Ctr.*, 367 F.3d 1359, 1364 (Fed. Cir. 2004).

Limitations appearing in the specification but not recited in the claim are not read into the claim. *E-Pass Techs., Inc. v. 3Com Corp.*, 343 F.3d 1364, 1369 (Fed. Cir. 2003) (claims must be interpreted “in view of the specification” without importing limitations from the specification into the claims unnecessarily).

Although a patent applicant is entitled to be his or her own lexicographer of patent claim terms, in *ex parte* prosecution it must be within limits. *In re Corr*, 347 F.2d 578, 580 (CCPA 1965). The applicant must do so by placing such definitions in the specification with sufficient clarity to provide a person of ordinary skill in the art with clear and precise notice of the meaning that is to be construed. *See also In re Paulsen*, 30 F.3d 1475, 1480 (Fed. Cir. 1994) (although an inventor is free to define the specific terms used to describe the invention, this must be done with reasonable clarity, deliberateness, and precision; where an inventor chooses

1 to give terms uncommon meanings, the inventor must set out any  
2 uncommon definition in some manner within the patent disclosure so as to  
3 give one of ordinary skill in the art notice of the change).

4 *Written Description*

5 The first paragraph of 35 U.S.C. § 112 requires that the specification  
6 shall contain a written description of the invention. This requirement is  
7 separate and distinct from the enablement requirement. *See, e.g., Vas-Cath,*  
8 *Inc. v. Mahurkar*, 935 F.2d 1555, 1563-64 (Fed. Cir. 1991).

9 The “written description” requirement implements the principle  
10 that a patent must describe the technology that is sought to be  
11 patented; the requirement serves both to satisfy the inventor's  
12 obligation to disclose the technologic knowledge upon which  
13 the patent is based, and to demonstrate that the patentee was in  
14 possession of the invention that is claimed.

15  
16 *Capon v. Eshhar*, 418 F.3d 1349, 1357 (Fed. Cir. 2005).

17 One shows that one is “in possession” of *the invention* by  
18 describing *the invention*, with all its claimed limitations, not  
19 that which makes it obvious. *Id.* (“[T]he applicant must also  
20 convey to those skilled in the art that, as of the filing date  
21 sought, he or she was in possession of *the invention*. The  
22 invention is, for purposes of the ‘written description’ inquiry,  
23 *whatever is now claimed.*”) (emphasis in original). One does  
24 that by such descriptive means as words, structures, figures,  
25 diagrams, formulas, etc., that fully set forth the claimed  
26 invention. Although the exact terms need not be used *in haec*  
27 *verba*, *see Eiselstein v. Frank*, 52 F.3d 1035, 1038 . . .  
28 (Fed.Cir.1995) (“[T]he prior application need not describe the  
29 claimed subject matter in exactly the same terms as used in the  
30 claims . . .”), the specification must contain an equivalent  
31 description of the claimed subject matter.

32  
33 *Lockwood v. Am. Airlines, Inc.*, 107 F.3d 1565, 1572 (Fed. Cir. 1997)

1 It is the disclosures of the applications that count. Entitlement  
2 to a filing date does not extend to subject matter which is not  
3 disclosed, but would be obvious over what is expressly  
4 disclosed. It extends only to that which is disclosed. While the  
5 meaning of terms, phrases, or diagrams in a disclosure is to be  
6 explained or interpreted from the vantage point of one skilled in  
7 the art, all the limitations must appear in the specification. The  
8 question is not whether a claimed invention is an obvious  
9 variant of that which is disclosed in the specification. Rather, a  
10 prior application itself must describe an invention, and do so in  
11 sufficient detail that one skilled in the art can clearly conclude  
12 that the inventor invented the claimed invention as of the filing  
13 date sought.

14  
15 *Id.* at 1571-72.

16 *Indefiniteness*

17 Under 35 U.S.C. § 112, ¶ 2, the claims of a patent must “particularly  
18 point[ ] out and distinctly claim[ ] the subject matter which the applicant  
19 regards as his invention.” “A claim is considered indefinite if it does not  
20 reasonably apprise those skilled in the art of its scope.” *IPXL Holdings,*  
21 *L.L.C. v. Amazon.com, Inc.*, 430 F.3d 1377, 1383–84 (Fed. Cir. 2005).

22 *Anticipation*

23 “A claim is anticipated only if each and every element as set forth in  
24 the claim is found, either expressly or inherently described, in a single prior  
25 art reference.” *Verdegaal Bros. v. Union Oil Co. of California*, 814 F.2d  
26 628, 631 (Fed. Cir. 1987). “When a claim covers several structures or  
27 compositions, either generically or as alternatives, the claim is deemed  
28 anticipated if any of the structures or compositions within the scope of the  
29 claim is known in the prior art.” *Brown v. 3M*, 265 F.3d 1349, 1351 (Fed.  
30 Cir. 2001). “The identical invention must be shown in as complete detail as  
31 is contained in the ... claim.” *Richardson v. Suzuki Motor Co.*, 868 F.2d

1 1226, 1236 (Fed. Cir. 1989). The elements must be arranged as required by  
2 the claim, but this is not an *ipsissimis verbis* test, i.e., identity of terminology  
3 is not required. *In re Bond*, 910 F.2d 831, 832 (Fed. Cir. 1990).

4 *Obviousness*

5 A claimed invention is unpatentable if the differences between it and  
6 the prior art are “such that the subject matter as a whole would have been  
7 obvious at the time the invention was made to a person having ordinary skill  
8 in the art.” 35 U.S.C. § 103(a) (2000); *KSR Int’l Co. v. Teleflex Inc.*, 127  
9 S.Ct. 1727, 1729-30 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14  
10 (1966).

11 In *Graham*, the Court held that the obviousness analysis is bottomed  
12 on several basic factual inquiries: “[ (1) ] the scope and content of the prior art  
13 are to be determined; [ (2) ] differences between the prior art and the claims at  
14 issue are to be ascertained; and [ (3) ] the level of ordinary skill in the  
15 pertinent art resolved.” 383 U.S. at 17. *See also KSR Int’l v. Teleflex Inc.*,  
16 127 S.Ct. at 1734. “The combination of familiar elements according to  
17 known methods is likely to be obvious when it does no more than yield  
18 predictable results.” *KSR*, at 1739.

19 “When a work is available in one field of endeavor, design incentives  
20 and other market forces can prompt variations of it, either in the same field  
21 or a different one. If a person of ordinary skill can implement a predictable  
22 variation, § 103 likely bars its patentability.” *Id.* at 1740.

23 “For the same reason, if a technique has been used to improve one  
24 device, and a person of ordinary skill in the art would recognize that it would  
25 improve similar devices in the same way, using the technique is obvious  
26 unless its actual application is beyond his or her skill.” *Id.*

1           “Under the correct analysis, any need or problem known in the field  
2 of endeavor at the time of invention and addressed by the patent can provide  
3 a reason for combining the elements in the manner claimed.” *Id.* at 1742.

4

5 ANALYSIS

6           *Claims 21, 22, 24-27, and 29-34 rejected under 35 U.S.C. § 112, first*  
7 *paragraph, as lacking a supporting written description within the original*  
8 *disclosure.*

9           The Appellants argue these claims as a group.

10           Accordingly, we select claim 21 as representative of the group.  
11 37 C.F.R. § 41.37(c)(1)(vii) (2007).

12           The Examiner found that there was no support for the payment  
13 authorization unit in the originally filed disclosure (Final Rejection 3). The  
14 Appellants contend that support is shown by the Specification 9:19-22  
15 (Appeal Br. 8:Top ¶, and 6:Last full ¶). This cited portion states that a point  
16 of sale device is connected to a transaction server for the purpose of  
17 authorizing transactions payment (FF 06). The Appellants contend that one  
18 of ordinary skill would recognize that the transaction server has, or is in  
19 communication with, something capable of authorizing (Appeal Br. *id.*).

20           The Examiner then changed the rationale for the rejection to a failure  
21 of the original disclosure to describe a separate authorization unit (Answer  
22 11-12). Since claim 21 does not recite a separate authorization unit, the  
23 Examiner found that the Appellants construed the authorization unit as being  
24 separate in the arguments accompanying Amendment D:16, filed November  
25 26, 2003, although the arguments as to the separation of the authorization  
26 unit appear to be at page 21 instead. These arguments are not directed to the

1 indefiniteness rejection, but to the anticipation rejection over Swartz.

2 Similar arguments are presented in the Appeal Brief at page 20.

3       The Appellants responded that the Examiner's change in rationale is a  
4 new ground and should be reversed on that basis alone, citing *the Manual of*  
5 *Patent Examining Procedure* (MPEP) § 1208.01 (Reply Br. 2:¶ A1 and 4:¶  
6 A4). The Appellants also argue that the Examiner did not make a prima  
7 facie case for lack of written description and that the rejection was  
8 introduced in the Final Rejection (Appeal Br. 8-9).

9       We find that neither of the procedural contentions help the Appellants.  
10 MPEP § 1208.01 discusses the Examiner's response to the Reply Brief, not  
11 the Appeal Brief. MPEP § 1207.03 allows the Examiner to make a new  
12 ground of rejection. As to the rejection being introduced under final  
13 rejection, that may be a reason to contest the finality of the rejection, but not  
14 the propriety of the rejection.

15       As to the substance of the rejection, we find that the word "separate"  
16 is not used to limit the payment authorization unit in claim 21. So the issue  
17 is whether the Specification's reference to a point of sale device connected  
18 to a transaction server via a communications link for the purpose of  
19 authorizing transactions payment is sufficient to show possession of the  
20 payment authorization unit.

21       Within the context of a computer process, we find that a payment  
22 authorization unit is a computer running a portion of a program that does  
23 something to authorize payment. A device for the purpose of authorizing  
24 transactions payment as disclosed (FF 06) is therefore a payment  
25 authorization unit.

The Appellants have sustained their burden of showing that the Examiner erred in rejecting claims 21, 22, 24-27, and 29-34 under 35 U.S.C. § 112, first paragraph, as lacking a supporting written description within the original disclosure.

*Claims 21, 22, 24-27, and 29-34 rejected under 35 U.S.C. § 112, second paragraph, as failing to particularly point out and distinctly claim the invention.*

The Appellants argue these claims as a group. Accordingly, we select claim 21 as representative of the group. The Examiner found that claim 21 contains a grammatically incorrect phrase, viz. "communicated to the point of sale device" that results in nonsense and is therefore indefinite (Answer 15: ¶s 30 and 31). The Examiner sets forth 30 pages of findings and analysis to support this single rationale for the indefiniteness rejection. The grammatical error found by the Examiner is that the phrase "communicated to the point of sale device" is a nonrestrictive clause and must refer to the "transponder identification information receiver" since the comma sets off two nonrestrictive clauses. The Examiner found that a receiver is not something that is communicated.

The Appellants contend that that Examiner has simply misunderstood that this limitation of Claim 21 has a "nonrestrictive clause" which includes within it a series of three or more terms with a single conjunction, with the terms separated by commas. The Appellants contend that the Examiner is mistaken in determining that the "nonrestrictive clause" in Claim 21 ends at the first comma. Rather, the first comma in the "nonrestrictive clause" at



1 issue separates the first and second terms of the series of terms; it does not  
2 signal the end of the "nonrestrictive clause." (Reply Br. 4-6:¶ B).

3 The result of the Appellants' argument is that it is the transponder  
4 identification information that is received, which is grammatically correct  
5 and is understandable to one of ordinary skill. The Appellants have  
6 sustained their burden of showing that the Examiner erred in rejecting claims  
7 21, 22, 24-27, and 29-34 under 35 U.S.C. § 112, second paragraph, as failing  
8 to particularly point out and distinctly claim the invention.

9 *Claims 21, 22, 24-27, 29, 30, 33, and 34 rejected under 35 U.S.C. § 102(b)*  
10 *as anticipated by Swartz.*

11 The Appellants argue these claims as a group. Accordingly, we select  
12 claim 21 as representative of the group. Swartz is directed to a portable  
13 terminal that a customer uses to list purchases for checkout (FF 08). Items  
14 to be purchased are scanned, and their information is collected in a  
15 customer's transaction file in the store's computer, after which the customer  
16 checks out by having his ID entered to retrieve the transaction file, which is  
17 priced and used to compute payment, and pays for the purchases (FF 09).

18 The Examiner found that Swartz anticipated claim 21 according to the  
19 Examiner's analysis in a claim chart (Answer 58-59). The Appellants  
20 contend that Swartz fails to describe (1) the account table with the recited  
21 information (Appeal Br. 14:¶ 1); (2) a payment authorization unit in  
22 communication with a transaction server (Appeal Br. 16: ¶ 2); (3) the  
23 capabilities requisite to use transponder identification information, financial  
24 account information and payment amount to authorize payment to a  
25 financial account (Appeal Br. 21: ¶ 3); and (4) association with an issuing  
26 bank or a credit network (Appeal Br. 22:¶ 4).

1       The Examiner found that each of these elements was inherent in  
2       Swartz's system (Answer 59). The Appellants contend that Swartz fails to  
3       expressly describe the limitations argued. The Appellants contend that the  
4       Examiner's reliance on inherency is evidence that Swartz does not expressly  
5       describe those limitations, and further argues that Swartz does not  
6       necessarily incorporate those limitations.

7

8        *First Argument: Swartz fails to describe the account table with the*  
9                                *recited information*

As to the Appellants' first argument, the Appellants contend that Swartz teaches away from using stored payment information and that the Examiner failed to give patentable weight to the function of the financial account information (Appeal Br. 15:Bottom ¶). The Appellants also contend the rejection should be overturned because the Examiner did not provide line and column citations to Swartz for the claim limitations (Appeal Br. 16:First full ¶).

17 We disagree with the Appellants. We first must construe the  
18 limitations of an account table and number. These terms are not  
19 lexicographically defined in the Specification, but the usual and customary  
20 meaning of an account within the context of commercial transactions is a  
21 formal relationship established to provide for regular services, dealings and  
22 other financial transactions (FF 01 & 02). A table within the context of  
23 computer systems is simply a database, and a number within the context of  
24 such a relationship is simply an identifying string, which may be  
25 alphanumeric. Therefore we construe an account table to be a database

1 supporting the formal relationship for financial transactions, and an account  
2 number to be an identifying string for such an account.

3 We find that Swartz maintains transaction information for a given  
4 customer in either Swartz's portable terminal or store computer. This  
5 information is in the form of a file that identifies a customer and stores the  
6 items selected for purchase (FF 09, 10, & 13). Swartz's store computer  
7 retrieves this file for the point of sale terminal during checkout and stores the  
8 data in a customer history file (FF 14).

9 Each of the transaction file, checkout file, and history file is a  
10 database that supports the relationship between the customer and the store  
11 for financial transactions. Therefore, each of these files is a financial  
12 account table. Swartz describes each of these files as customer files. Thus,  
13 the identity of the customer must be an index for these files so that the files  
14 may be retrieved. Such an index is an identifying string and so is an account  
15 number. Claim 21 only requires one of the enumerated items of information  
16 to be included in the account table. Accordingly, Swartz does describe an  
17 account table with the required information.

18 *Second Argument: Swartz fails to describe a payment authorization unit*  
19 *in communication with a transaction server*

20 The Appellants next contend that Swartz does not disclose a transaction  
21 server. This contention is based on a process of elimination. The Appellants  
22 contend that Swartz's portable terminal cannot be the transaction server, for  
23 then there would be no communication between the two (Appeal Br. 17:¶  
24 (i)); Swartz's network access point cannot be the transaction server, for there  
25 is no express description of a link with a payment authorization unit and the  
26 access point does not have the capabilities of the claimed transaction server

1 (Appeal Br. 17-18: ¶ (ii)); Swartz's store computer cannot be the transaction  
2 server, for there is no explicit communication with a payment authorization  
3 unit, and there is not necessarily such a communication, since payment  
4 information is not stored in the historical file until after payment (Appeal Br.  
5 18-19:¶ (iii)); and Swartz's checkout register cannot be the transaction  
6 server, for it must be the claimed point of sale device and cannot  
7 simultaneously read on two different claim limitations (Appeal Br. 19-21:¶  
8 (iv)).

9         The Examiner found that Swartz's store computer described the  
10 transaction server (Answer 58). The Appellants' contention, *supra*, is that  
11 there is no explicit communication between the store computer and a  
12 payment authorization unit. The Examiner found that since Swartz's  
13 customer pays, such payment implies authorization. Therefore whatever  
14 process administers payment necessarily contains a payment authorization  
15 unit for payment to be executed.

16         We agree with the Examiner. Claim 21 does not specify the manner  
17 of authorization or even how much of such authorization is controlled by the  
18 payment authorization unit. Further, the limitation of authorization is not  
19 lexicographically defined in the Specification, but its usual and customary  
20 meaning is permission (FF 03 & 04). Whatever portion of Swartz controls  
21 the payment that occurs with the point of sale terminal necessarily permits  
22 payment for payment to occur. Such a process implemented on an  
23 automated machine as in Swartz would be a payment authorization unit.  
24 Such a process which is controlled by the store computer also must  
25 necessarily be in communication with the store computer for the control  
26 signals to execute the payment authorization. The Appellants' arguments as

1 to why the transaction server cannot be any of Swartz's remaining devices  
2 are therefore moot.

3 *Third Argument: Swartz fails to describe the capabilities requisite to use*  
4 *transponder identification information, financial account information and*  
5 *payment amount to authorize payment to a financial account*

6 The Appellants next contend that Swartz does not describe using  
7 transponder identification information, financial account information and  
8 payment amount to authorize payment to a financial account, and that the  
9 Examiner failed to, but must give patentable weight to this limitation  
10 (Appeal Br. 21-22:¶ 3). The Examiner's findings in the claim chart imply  
11 that the Examiner found since all of Swartz's customer transaction  
12 information from the terminal is transmitted to the store computer, the  
13 transponder and customer account identifiers and any payment amount  
14 information is necessarily so communicated (Answer 59).

15 We agree with the Examiner. First, we find that although the  
16 Examiner did indicate that non structural limitations were given little weight  
17 in an apparatus claim (Final Rejection 11:¶ 30), the Examiner did not repeat  
18 this finding in the Answer. We agree that in an apparatus claim as claim 21  
19 it is the structural limitations that limit the scope. "[E]xpressions relating the  
20 apparatus to contents thereof during an intended operation are of no  
21 significance in determining patentability of the apparatus claim." *Ex parte*  
22 *Thibault*, 164 USPQ 666, 667 (Bd. App. 1969). Furthermore, "inclusion of  
23 material or article worked upon by a structure being claimed does not impart  
24 patentability to the claims." *In re Otto*, 312 F.2d 937, 940 (CCPA 1963)).  
25 Limitation [2] is that of a communication link. The transponder  
26 identification information and payment amount recited in limitation [2] are

1 simply data that the communication link must be capable of conveying.  
2 Clearly the link between Swartz's store computer and portable terminal,  
3 which explicitly transmits terminal identification and transaction amount  
4 information regarding how much must be paid for each item (FF 14) is  
5 capable of conveying the recited information. As to the remaining structural  
6 transmission linkages recited in limitation [2], these are described by Swartz  
7 (FF 14 & 15).

8 Further, such a terminal identifier in Swartz is transponder identification  
9 information since Swartz's terminal identifier identifies the portable  
10 terminal, which transmits to and responds with the store computer.  
11 Similarly, the customer identification in Swartz's customer financial  
12 transaction file (FF 12 & 13) would be a customer account number in that  
13 this number identifies the customer in Swartz's transaction file acting as a  
14 financial account table. Also, since Swartz's transaction file contains  
15 amounts that must be paid, a payment amount is transmitted when the  
16 transaction file is downloaded at checkout. Further, the final payment  
17 amount is transmitted to the store computer for the customer history file (FF  
18 14). Thus, we find that the structural limitation of a communications link is  
19 described by Swartz and further that the data recited in limitation [2] as  
20 being transmitted along that link are also described by Swartz.



1 which we agree, we find that we need not reach the underlying issue of  
2 whether Treyz describes the subject matter of claim 21.

3       Treyz was issued, and therefore published, on July 1, 2003. The  
4 instant application was filed on May 10, 2002. Anticipation under 35 U.S.C.  
5 § 102(b) requires publication of the anticipating reference at least one year  
6 prior to filing of the application. Treyz was published after such filing. We  
7 agree with the Appellants that Treyz is not prior art under 35 U.S.C.  
8 § 102(b). Since no other facts or arguments regarding Treyz are before us,  
9 we make no findings regarding whether Treyz would anticipate or render  
10 claim 21 otherwise unpatentable under any other statutory basis.

11       The Appellants have sustained their burden of showing that the  
12 Examiner erred in rejecting claims 21, 22, 24-27, 29, 30, 33, and 34 under  
13 35 U.S.C. § 102(b) as anticipated by Treyz.

14       Should the Examiner apply Treyz under a different statutory basis, we  
15 instruct the Examiner to place the facts regarding how Treyz describes the  
16 limitations of the claims in the record. *See Ex parte Levy*, 17 USPQ2d 1461,  
17 1462 (U.S. Bd. Pat. App. & Int. 1990) ("[I]t is incumbent upon the examiner  
18 to identify wherein each and every facet of the claimed invention is  
19 disclosed in the applied reference.") *See also Ex parte Braeken*, 54 USPQ2d  
20 1110, 1112 (Bd. Pat. App. & Int. 1999) (Unpublished).

21       The appeal is manifestly not ready for a decision on the merits.  
22 We start out with the proposition that an appeal is just that--an  
23 appeal. The review authorized by 35 U.S.C. Section 134 is not  
24 a process whereby the examiner and the applicant invite the  
25 board to examine the application and resolve patentability in the  
26 first instance .... The examiner has not clearly set out the basis  
27 for his rejection ....



1        *Claims 21, 22, 24-27, and 29-34 rejected under 35 U.S.C. § 103(a) as*  
2        *unpatentable over Swartz and Zimmerman.*

3 The Appellants argue claims 21, 22, 24-26, 29-31, and 33 as a group.  
4 Accordingly, we select claim 21 as representative of the group. The  
5 Examiner found that Zimmerman described the use of a credit card for  
6 payment. The Examiner further found, that if payment by a credit card was  
7 not found to be inherent in Swartz, then Zimmerman described why one of  
8 ordinary skill would have known to use credit cards with Swartz (Answer  
9 63). The Appellants contend that there is no motivation to combine  
10 Zimmerman with Swartz and the combination still fails to describe the  
11 structural limitations argued in the anticipation rejection over Swartz  
12 (Appeal Br. 23-25;¶ F).

13 We disagree with the Appellants. As we found in the anticipation  
14 rejection against Swartz, Swartz described all of the limitations under  
15 contention except for the association with at least one of an issuing bank or a  
16 credit network in limitation [5]. We also find that Zimmerman stands as  
17 evidence that one of ordinary skill would have known the advantages of  
18 using credit cards for payment in Swartz and therefore would have linked  
19 Swartz into a credit card network (FF 18). Such a linkage would have  
20 provided an association with a credit network. Further, since the final  
21 payment amount would necessarily have been transmitted to the credit card  
22 network along with the customer credit card number, such a transmission  
23 would have provided additional instances of transmitting a payment amount  
24 in limitation [2] and an additional instance of determining authorization  
25 based on the payment amount and customer account number in limitation  
26 [5].

*Claims 27, 32, and 34*

1  
2       The Appellants separately argue the patentability of these claims.  
3       Claim 27 requires multiple communications links between the transaction  
4       server and multiple point of sale devices. The Examiner found that Swartz  
5       implied multiple portable terminals, in turn requiring multiple links (Answer  
6       60). We agree with the Examiner. Swartz describes multiple portable  
7       terminals (FF 08), and there is a link to each terminal (FF 15).

8       Claim 32 requires the transponder to be embedded in a key chain,  
9       pager, watch, clothing, key or transaction card. The Examiner found that  
10       this was admitted prior art. The Appellants contend that none of the applied  
11       references describe transponders with any of these recited characteristics.  
12       We agree with the Examiner. The admitted prior art includes transaction  
13       cards as responders (FF 05). Swartz implies using such a card for checking  
14       out by describing the use of a magnetic stripe reader (FF 14). Thus Swartz  
15       suggests the use of a transaction card such as that in the admitted prior art.

16       Claim 34 requires a registration unit in communication with the  
17       account table and at least one client workstation, the registration unit to  
18       receive at least one of at least some financial account information and at  
19       least some transponder identification information from the client  
20       workstation, and that the received financial account information is linked  
21       with at least some of the transponder identification information in the  
22       account table. The Examiner found that Swartz's registration unit receives  
23       this information at login (Answer 11 & 60).

24       The Appellants contend that Swartz's customer logs in from the  
25       portable terminal and there would be no reason for such a customer to login  
26       from a client workstation (Br. 33). The Examiner did not make any findings

1 as to the use of such a client workstation. Accordingly, the Examiner has  
2 failed to make a prima facie case of obviousness as to claim 34.

3 The Appellants have not sustained their burden of showing that the  
4 Examiner erred in rejecting claims 21, 22, 24-27, and 29-33, but have  
5 sustained their burden as to claim 34 under 35 U.S.C. § 103(a) as  
6 unpatentable over Swartz and Zimmerman.

7  
8 *Claims 21, 22, 24-27, and 29-34 rejected under 35 U.S.C. § 103(a) as*  
9 *unpatentable over Swartz and Rogge.*

10 The Examiner found that Rogge described the use of a credit card for  
11 payment, similar to the manner in which Zimmerman described such a use,  
12 and concluded that the combination of Swartz and Rogge was obvious for  
13 the same reasons the Examiner found with the combination of Swartz and  
14 Zimmerman (Answer 63). The Appellants contend, as they did with the  
15 rejection over Swartz and Zimmerman, that there is no motivation to  
16 combine Rogge with Swartz and the combination still fails to describe the  
17 structural limitations argued in the anticipation rejection over Swartz  
18 (Appeal Br. 25-27:¶ G). We agree with the Examiner that the combination  
19 of Swartz and Rogge renders the claims 21, 22, 24-27, and 29-33 obvious  
20 for the same reasons as the combination of Swartz and Zimmerman *supra*.  
21 The Examiner again did not make any findings as to the client workstation  
22 of claim 34, and has therefore failed to make a prima facie case of  
23 obviousness as to that claim.

24 The Appellants have not sustained their burden of showing that the  
25 Examiner erred in rejecting claims 21, 22, 24-27, and 29-33, but have

1 sustained their burden as to claim 34 under 35 U.S.C. § 103(a) as  
2 unpatentable over Swartz and Rogge.

3

4

#### CONCLUSIONS OF LAW

5 The Appellants have sustained their burden of showing that the  
6 Examiner erred in rejecting claims 21, 22, 24-27, and 29-34 under 35 U.S.C.  
7 § 112, first and second paragraphs, as lacking a supporting written  
8 description within the original disclosure and being indefinite, and in  
9 rejecting claims 21, 22, 24-27, 29, 30, 33, and 34 under 35 U.S.C. § 102(b),  
10 as anticipated by each of Swartz and Treyz. They have not sustained their  
11 burden of showing that the Examiner erred in rejecting claims 21, 22, 24-27,  
12 and 29-33, but have sustained their burden as to claim 34, under  
13 35 U.S.C. § 103(a) as unpatentable over the combinations of Swartz and  
14 Zimmerman and Swartz and Rogge.

15

16

#### DECISION

17 To summarize, our decision is as follows:

- 18 • The rejection of claims 21, 22, 24-27, and 29-34 under 35 U.S.C.  
19 § 112, first paragraph, as lacking a supporting written description  
20 within the original disclosure is not sustained.
- 21 • The rejection of claims 21, 22, 24-27, and 29-34 under 35 U.S.C.  
22 § 112, second paragraph, as failing to particularly point out and  
23 distinctly claim the invention is not sustained.
- 24 • The rejection of claims 21, 22, 24-27, 29, 30, 33, and 34 under 35  
25 U.S.C. § 102(b) as anticipated by Swartz is not sustained.

Appeal 2008-0194  
Application 10/143,581

- 1       • The rejection of claims 21, 22, 24-27, 29, 30, 33, and 34 under 35  
2       U.S.C. § 102(b) as anticipated by Treyz is not sustained.
- 3       • The rejection of claims 21, 22, 24-27, and 29-33 under 35 U.S.C.  
4       § 103(a) as unpatentable over Swartz and Zimmerman is sustained.
- 5       • The rejection of claims 21, 22, 24-27, and 29-33 under 35 U.S.C.  
6       § 103(a) as unpatentable over Swartz and Rogge is sustained.
- 7       • The rejection of claim 34 under 35 U.S.C. § 103(a) as unpatentable  
8       over Swartz and Zimmerman is not sustained.
- 9       • The rejection of claim 34 under 35 U.S.C. § 103(a) as unpatentable  
10       over Swartz and Rogge is not sustained.

11       No time period for taking any subsequent action in connection with  
12 this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

13

14                                   AFFIRMED-IN-PART

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18

19   hh

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